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DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: May 5, 1999
EFFECTIVE: June 1, 1999
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$14.36 /CWT

EFFECTIVE JUNE 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is \$14.36 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of ten and one-half cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.05.

CLASS I BUTTERFAT PRICE PER POUND

\$1.05 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$11.16 /CWT

Average spray process dry milk solids

price per pound = \$1.03625

Multiplied by 8.2 x 8.2

\$8.49725

PLUS +

Last quote of the month for Grade AA butter

minus a differential of \$.0895 \$0.88050

Multiplied by 4.2 x 4.2

\$3.69810

+ \$3.69810

LESS 8.5% (\$12.19535 X .085)

- \$1.03660

\$11.15875

Rounded to the nearest whole cent = \$11.16 /hundredweight

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND**\$1.00 /LB**

Butterfat differential	\$0.88050	X .111)	=	\$0.09774
Rounded to the nearest half cent			=	\$0.100

CLASS II VALUE OF ONE POUND OF SKIM**0.079378238 /LB**

Butterfat value per pound for milk at 3.5% test:	\$1.00			
Hundredweight price of milk testing 3.5%			=	\$11.16
LESS 3.5 pounds of butterfat at	\$1.00	per pound	-	\$3.500
Value of 96.5 pounds of skim			=	\$7.660
Value of one pound of skim	7.660	/ 96.5 pounds)	=	\$0.07938 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$0.79 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$0.88050
LESS 10%	-	\$0.08805
		\$0.79245

Rounded to the nearest whole cent	\$0.79	per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**7.05272 /CWT**

Avg. spray process dry milk solid price/lb	\$1.03625
Multiplied by 8.2	8.2
	\$8.49725
LESS 17%	\$1.44453
	\$7.05272

Rounded to the nearest whole cent	\$7.05	per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.57 /CWT**

3.5 pounds of butterfat	\$0.79	per pound =	\$2.765
96.5 pounds of skim	\$0.07053	per pound =	\$6.806

\$9.571 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Marilyn M. Koontz
 Marilyn M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.36 FOR 3.5% MILK 96.5 LBS = \$10.685		CLASS II SKIM PRICE BASED ON \$11.16 FOR 3.5% MILK 96.5 LBS = \$7.660		CLASS III SKIM PRICE BASED ON \$9.57 FOR 3.5% MILK 96.5 LBS = \$6.806	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10959	2.50	\$0.07856	2.50	\$0.06981
2.55	\$0.10965	2.55	\$0.07860	2.55	\$0.06984
2.60	\$0.10970	2.60	\$0.07864	2.60	\$0.06988
2.65	\$0.10976	2.65	\$0.07869	2.65	\$0.06991
2.70	\$0.10982	2.70	\$0.07873	2.70	\$0.06995
2.75	\$0.10987	2.75	\$0.07877	2.75	\$0.06999
2.80	\$0.10993	2.80	\$0.07881	2.80	\$0.07002
2.85	\$0.10998	2.85	\$0.07885	2.85	\$0.07006
2.90	\$0.11004	2.90	\$0.07889	2.90	\$0.07009
2.95	\$0.11010	2.95	\$0.07893	2.95	\$0.07013
3.00	\$0.11015	3.00	\$0.07897	3.00	\$0.07017
3.05	\$0.11021	3.05	\$0.07901	3.05	\$0.07020
3.10	\$0.11027	3.10	\$0.07905	3.10	\$0.07024
3.15	\$0.11033	3.15	\$0.07909	3.15	\$0.07028
3.20	\$0.11038	3.20	\$0.07913	3.20	\$0.07031
3.25	\$0.11044	3.25	\$0.07917	3.25	\$0.07035
3.30	\$0.11050	3.30	\$0.07921	3.30	\$0.07038
3.35	\$0.11055	3.35	\$0.07926	3.35	\$0.07042
3.40	\$0.11061	3.40	\$0.07930	3.40	\$0.07046
3.45	\$0.11067	3.45	\$0.07934	3.45	\$0.07049
3.50	\$0.11073	3.50	\$0.07938	3.50	\$0.07053
3.55	\$0.11078	3.55	\$0.07942	3.55	\$0.07057
3.60	\$0.11084	3.60	\$0.07946	3.60	\$0.07060
3.65	\$0.11090	3.65	\$0.07950	3.65	\$0.07064
3.70	\$0.11096	3.70	\$0.07954	3.70	\$0.07068
3.75	\$0.11101	3.75	\$0.07958	3.75	\$0.07071
3.80	\$0.11107	3.80	\$0.07963	3.80	\$0.07075
3.85	\$0.11113	3.85	\$0.07967	3.85	\$0.07079
3.90	\$0.11119	3.90	\$0.07971	3.90	\$0.07082
3.95	\$0.11124	3.95	\$0.07975	3.95	\$0.07086
4.00	\$0.11130	4.00	\$0.07979	4.00	\$0.07090
4.05	\$0.11136	4.05	\$0.07983	4.05	\$0.07093
4.10	\$0.11142	4.10	\$0.07987	4.10	\$0.07097
4.15	\$0.11148	4.15	\$0.07992	4.15	\$0.07101
4.20	\$0.11153	4.20	\$0.07996	4.20	\$0.07105
4.25	\$0.11159	4.25	\$0.08000	4.25	\$0.07108
4.30	\$0.11165	4.30	\$0.08004	4.30	\$0.07112
4.35	\$0.11171	4.35	\$0.08008	4.35	\$0.07116
4.40	\$0.11177	4.40	\$0.08013	4.40	\$0.07119
4.45	\$0.11183	4.45	\$0.08017	4.45	\$0.07123
4.50	\$0.11188	4.50	\$0.08021	4.50	\$0.07127

PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

Month	1998	1999	Difference	% Change
January	\$15.51	\$19.39	\$3.88	25.02%
February	\$15.84	\$19.89	\$4.05	25.57%
March	\$15.80	\$18.82	\$3.02	19.11%
April	\$15.87	\$12.82	(\$3.05)	-19.22%
May	\$15.36	\$14.17	(\$1.19)	-7.75%
June	\$14.56	\$14.36	(\$0.20)	-1.37%
July	\$13.43			
August	\$15.65			
September	\$17.32			
October	\$17.54			
November	\$17.65			
December	<u>\$18.59</u>			
Average	\$16.09	\$16.58	\$1.09	6.89%

Prices are per hundredweight (CWT).

